



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Violet Varona-Lukens, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Each Department/District Head

At its meeting held September 16, 2003, the Board took the following action:

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The following item was called up for consideration:

County Librarian's attached recommendation to: (1) Transfer \$1,572,000 from General Fund Appropriation for Contingencies to the Public Library's Operating Budget to restore 2003-04 State curtailment; (2) Transfer \$498,000 from General Fund Appropriation for Contingencies to the Public Library's Operating Budget to augment the library books and materials account; (3) Transfer \$1,000,000 from General Fund Appropriation for Contingencies to the Public Library's Operating Budget for facility repairs and improvements; and (4) Transfer \$1,000,000 from Appropriation for Contingencies to Public Library's Accumulated Capital Outlay Account for replacement of the Public Library's Integrated Library System.

David E. Janssen, Chief Administrative Officer addressed the Board.

Supervisor Molina made the following statement:

"The Los Angeles County Board of Supervisors has had to make many painful fiscal decisions this year in order to balance its budget and avoid a complete financial meltdown. Recently, however, Los Angeles County has experienced significant deviations from its budget well after major cuts have already been made. For instance, our Public Library Department originally informed the Board that Los Angeles County faced a potential closure of libraries and reduction of services due to budget constraints. In response, I introduced a motion in June 2003 to identify \$7 million to keep libraries open. But four months later, the Library Department informed the Board that it actually possessed more than \$4 million of surplus revenue. Another example: The Board made the agonizing decision to close clinics and downsize several hospitals earlier this year only to learn in June 2003 that the Department of Health Services had discovered a \$103.3 million increase in operating surplus.

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“The Board has struggled to make difficult but fiscally prudent decisions, while seeking to minimize the impact on services many residents utilize. However, we cannot make sound decisions unless Department Heads and the Chief Administrative Office provide the Board with improved data and information. To remedy this problem, the Chief Administrative Office must develop a tool to ensure the accuracy of the proposed budget before cuts are made to services.”

After discussion, Supervisor Molina made a motion, seconded by Supervisor Burke, that the Board take the following actions:

1. Approve the County Librarian’s Recommendation No. 1 to allocate \$1,572,000 from the General Fund Appropriation for Contingencies to the Public Library to replace State funds lost for books and materials;
2. Refer the County Librarian’s Recommendation Nos. 2, 3 and 4 back to her office;
3. Instruct the Chief Administrative Office in conjunction with County Department Heads to provide a detailed explanation of all budget variances and the impact on the adopted budget decisions on a quarterly basis, including trend analyses based on prior year expenditures and receipts;
4. Instruct the Chief Administrative Officer to provide a detailed analysis of what internal procedural changes and controls are needed to better monitor the budget throughout the fiscal year with the analysis to determine if revenue and expenditure estimates are on target before the Board makes any decisions to cut or curtail programs in future budget deliberations; and
5. Instruct the Chief Administrative Officer to report back to the Board within 90 days on the implementation of the new budget planning process.

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Supervisor Knabe made a suggestion that Supervisor Molina's motion be amended to also instruct the Chief Administrative Officer to report back to the Board within 90 days on a two year budget cycle and changing the start of the fiscal year to October 1. Supervisor Molina accepted Supervisor Knabe's amendment.

Supervisor Molina's motion, as amended, was unanimously carried.

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Attachment

Copies distributed:
Each Supervisor